

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02181A
Pine Valley Water Company
480 Raintree Rd
Sedona, AZ 86351

RECEIVED

MAR 13 2006

Arizona Corporation Commission
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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COMPANY INFORMATION

Company Name (Business Name) <u>Pine Valley Water Company</u>		
Mailing Address <u>480 Raintree Rd</u>		
<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86351</u> (Zip)
<u>928-284-1819</u> Telephone No. (Include Area Code)	<u>928-284-9311</u> Fax No. (Include Area Code)	<u>928-593-0503</u> Pager/Cell No. (Include Area Code)
Email Address <u>lllilnaz@aol.com</u>		
Local Office Mailing Address <u>SAME</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

Management Contact: <u>Lance Wischmier</u>			<u>President</u>
<u>60 Raintree Rd</u> (Street)	<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86351</u> (Zip)
<u>928-284-2978</u> Telephone No. (Include Area Code)	<u>928-284-9311</u> Fax No. (Include Area Code)	<u>928-593-0503</u> Pager/Cell No. (Include Area Code)	
Email Address <u>lllilnaz@aol.com</u>			
On Site Manager: <u>Judy Munderville</u>			
<u>480 Raintree Rd</u> (Street)	<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86351</u> (Zip)
<u>928-284-1819</u> Telephone No. (Include Area Code)	<u>928-284-9311</u> Fax No. (Include Area Code)	<u>NA</u> Pager/Cell No. (Include Area Code)	
Email Address <u>PNJLEF@aol.com</u>			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent:

Lisa Wischmeier

(Name)

60 Rainier Rd

(Street)

Sedona

(City)

AZ

(State)

86351

(Zip)

928-284-2978

Telephone No. (Include Area Code)

928-284-9311

Fax No. (Include Area Code)

928-543-0445

Pager/Cell No. (Include Area Code)

Attorney:

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Pine Valley Water Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	4298	4298	0
302	Franchises	75	NA	75
303	Land and Land Rights	11,994	NA	11,994
304	Structures and Improvements	10,007	3519	6488
307	Wells and Springs	9872	8204	1688
311	Pumping Equipment	51,394	51,214	180
320	Water Treatment Equipment	NA	NA	NA
330	Distribution Reservoirs and Standpipes	14,857	8172	6685
331	Transmission and Distribution Mains	54,957	38,364	16,593
333	Services	20,669	8894	11,775
334	Meters and Meter Installations	7615	7265	350
335	Hydrants	4759	3157	1602
336	Backflow Prevention Devices	NA	NA	NA
339	Other Plant and Misc. Equipment	NA	NA	NA
340	Office Furniture and Equipment	644	473	171
341	Transportation Equipment	↓	↓	↓
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	191,141	133,560	57,581

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Pine Valley Water Co

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	4298	Complete	-0-
302	Franchises	75	NA	NA
303	Land and Land Rights	11994	NA	NA
304	Structures and Improvements	10,007	3.33	333
307	Wells and Springs	9872	3.33	326
311	Pumping Equipment	51,394	12.50	632
320	Water Treatment Equipment	NA	NA	NA
330	Distribution Reservoirs and Standpipes	14,857	5.0	743
331	Transmission and Distribution Mains	54,957	2.0	1099
333	Services	20,669	3.33	688
334	Meters and Meter Installations	7615	3.33	234
335	Hydrants	4759	2.0	95
336	Backflow Prevention Devices	NA	NA	NA
339	Other Plant and Misc. Equipment	NA	NA	NA
340	Office Furniture and Equipment	644	6.67	43
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	191,141		4193

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME	Pine Valley Water Co.
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BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1680	\$ 226.
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1844	4054
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3524	\$ 4280
	FIXED ASSETS		
101	Utility Plant in Service	\$ 191,141	\$ 191,141
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	129,367	133,560
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 61,774	\$ 57,581
	TOTAL ASSETS	\$ 65,298	\$ 61,861

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME	Pine Valley Water Co.
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BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 2062	\$ 3125
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	3155	3964
236	Accrued Taxes	886	375
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 5503	\$ 7464
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 5503	\$ 7464
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1000.	\$ 1000
211	Paid in Capital in Excess of Par Value	76,242	76,242
215	Retained Earnings	(17,447)	(22,845)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 59,795	\$ 54,397
	TOTAL LIABILITIES AND CAPITAL	\$ 65,298	\$ 61,861

COMPANY NAME

Pine Valley Water Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 41,088	\$ 81,298
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 41,088	\$ 81,298
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5976	5707
618	Chemicals		
620	Repairs and Maintenance	12,725	616
621	Office Supplies and Expense		
630	Outside Services	64,325	64,948
635	Water Testing	565	641
641	Rents	7644	5844
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	767	1075
403	Depreciation Expense	4193	4193
408	Taxes Other Than Income		
408.11	Property Taxes	3860	3672
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 100,055	\$ 86,696
	OPERATING INCOME/(LOSS)	\$ (8,967)	\$ (5,398)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ (8,967)	\$ (5,398)

COMPANY NAME Pine Valley Water Co.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

NA

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME

Pine Valley Water Co.

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-627209	20	85	800 FT	8"	3"	1972

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 HP	1	5	1
7 1/2 HP	1		
5 HP	1		
1 1/2 HP	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
166,000	1	5000 gpm	1
40,000	1		

COMPANY NAME

Pine Valley Water Co.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	8378
5		
6	PVC	10031
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	140
3/4	3
1	5
1 1/2	1
2	1
Comp. 3	
Turbo 3	3 (well)
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES

Pumphouse - Fences

OTHER:

Generator 1 1/2 HP pump

COMPANY NAME:

Five Valley Water Co

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	150	557780	643,600
FEBRUARY	152	460890	545,000
MARCH	150	525100	577,700
APRIL	152	469860	525,000
MAY	153	754620	854,900
JUNE	149	1099880	1,153,800
JULY	152	1413730	1,486,000
AUGUST	152	1469560	1,562,600
SEPTEMBER	152	1018990	1,084,400
OCTOBER	153	1147000	1,205,200
NOVEMBER	153	1079290	1,146,200
DECEMBER	154	756980	813,300
TOTAL		10,853,680	18,801,300

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.027 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME

Pine Valley Water Co.

YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 3672.58

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Attached At end of Report

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>LANCE WISCHMEIER President</u>
COMPANY NAME
<u>Pine Valley Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

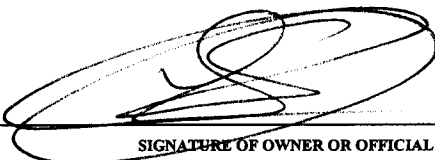
MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9th DAY OF



MY COMMISSION EXPIRES

COUNTY NAME

Yavapai

MONTH

March

2006


SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Pine Valley Water Company YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported (5,898)
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported (5,898)
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/9/06
DATE

LANCE WISCHMEIER
PRINTED NAME

PRESIDENT
TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT

MAR 13 2006

Intrastate Revenues Only Z Corporation Commission
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Lance Wischmeyer President</u>
COMPANY NAME	<u>Pine Valley Water Co.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

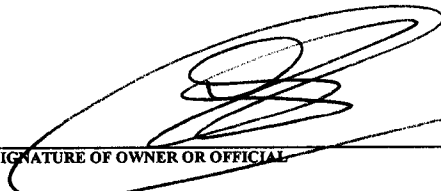
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 86339.08

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5041.08
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL
TELEPHONE NUMBER

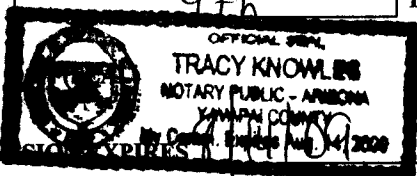
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

9th

DAY OF



MY COMM

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>March</u> <u>2006</u>
<u>Tracy Knowles</u> SIGNATURE OF NOTARY PUBLIC	

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

MAR 13 2006

Corporation Commissio
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Lance Wischnier</u>	TITLE <u>President</u>
COMPANY NAME <u>Pine Valley Water Co.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

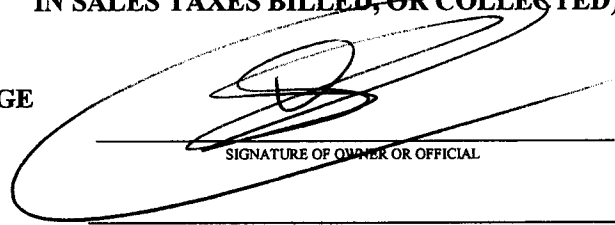
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>86339.08</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5041.08
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



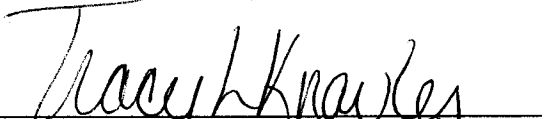
MY COMMISSION EXPIRES

8/14/09

DAY OF

NOTARY PUBLIC NAME <u>Tracy Knowles</u>
COUNTY NAME <u>Yavapai</u>
MONTH <u>March</u> , 20 <u>06</u>

X


SIGNATURE OF NOTARY PUBLIC